



# COUNTY OF SAN DIEGO DOWNPAYMENT & CLOSING COST ASSISTANCE (DCCA) PROGRAM

## LENDER INSTRUCTIONS

Effective October 20, 2009

### BOARD OF SUPERVISORS

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### Lender Requirements:

- ◆ We recommend a 60-day Escrow period.
- ◆ Follow the [document checklist](#) (see lender package) for additional requirements.
- ◆ Obtain a licensed **appraisal** (regardless of the type of 1st mortgage financing) and provide **proof of repairs**.
- ◆ Provide Homebuyer Education Training and a completion Certificate to the borrower prior to submitting the loan request. (You may refer clients to a 3rd party company that offers classes. Completion Certificate is required.)
- ◆ **DCCA and MCC:** The DCCA loan request must be combined with the MCC program, as long as there are funds available in the MCC program, and the first mortgage is **not** from Cal-HFA.
- ◆ Require the client to apply for the MCC program and submit a copy of the application with the loan request. The MCC application fee may be applied to the buyer's 1% of the purchase price contribution.

### Property Guidelines:

- ◆ The property must be located within the DCCA jurisdictional boundaries.
- ◆ The property may be New or Resale: single-family detached unit, condominium, townhouse or a manufactured home on a permanent foundation.
- ◆ The purchase price and the appraised value of the property may not exceed **\$451,250**, subject to periodic updates.
- ◆ The property must be vacant, or occupied by the seller/owner, or the DCCA applicant; and must not have been vacated by the previous renters within the last 30 days.
- ◆ The property must be free from any health & safety defects and Lead-based paint hazards. Prior to final loan approval, a Housing Quality Standards (HQS) inspection will be conducted by county staff to verify condition of property. Proof of initial building permit or issuance of a Certificate of Occupancy must be provided.
- ◆ Occupancy Ratio: No more than 2 people per living space (living space includes bedrooms, living room, family room, den/study).
- ◆ You must obtain flood insurance – if the property is located in a flood plain.

### DCCA Loan Amounts and Jurisdictional Areas:

- ◆ Up to \$35,000 or 33% of the purchase price which ever is smaller at 3% simple interest in the Unincorporated Areas of the County of San Diego and the cities of: Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

### Loan Terms:

- ◆ Maximum DCCA Loan amount of up to **\$35,000** or 33% of the purchase price which ever is smaller.
- ◆ No monthly payments are required.
- ◆ The interest is accrued annually at **3% simple interest**, per year.
- ◆ Repayment is deferred until the borrower refinances (except a FHA Streamline), sells, pays off the first mortgage, or no longer occupies the property as their primary residence. The loan repayment will be one payment of the original principle loan amount plus any accrued interest.

- ◆ **Prohibited loans and terms:** Negative–Amortization; Stated Income; Adjustable Rate Mortgage (ARM) when ARM Rate changes within the first 3 years; Interest-only loans; and, if the Front-End ratio is **below 33% or over 38%** or the Back-End ratio is **over 45%**.

**Application Submittal:**

- ◆ Submit one **complete** loan request to the following:  
Bonnie Petrach  
Housing & Community Development  
3989 Ruffin Rd.  
San Diego, CA 92123

**DCCA Program Contacts:**

- ◆ Bonnie Petrach, DCCA Program Administrator
- ◆ Phone: (858) 694-4810
- ◆ Fax: (858) 514-6532
- ◆ E-Mail: [bonnie.petrach@sdcounty.ca.gov](mailto:bonnie.petrach@sdcounty.ca.gov)
- ◆ Website: [www.co.san-diego.ca.us/sdhcd/homeowners/dcca.html](http://www.co.san-diego.ca.us/sdhcd/homeowners/dcca.html)

**MCC Program Contact:**

- ◆ Kathy Stone, MCC Program Administrator
- ◆ Phone: (619) 469-0270
- ◆ Fax: (619) 469-2005
- ◆ E-Mail: [kstone@ahahousing.com](mailto:kstone@ahahousing.com)
- ◆ Website: [www.ahahousing.com](http://www.ahahousing.com)